

## SUBCHAPTER D—SOCIOECONOMIC PROGRAMS

### PART 19—SMALL BUSINESS PROGRAMS

- Sec.  
19.000 Scope of part.  
19.001 Definitions.

#### Subpart 19.1—Size Standards

- 19.101 Explanation of terms.  
19.102 Size standards.

#### Subpart 19.2—Policies

- 19.201 General policy.  
19.202 Specific policies.  
19.202-1 Encouraging small business participation in acquisitions.  
19.202-2 Locating small business sources.  
19.202-3 Equal low bids.  
19.202-4 Solicitation.  
19.202-5 Data collection and reporting requirements.  
19.202-6 Determination of fair market price.

#### Subpart 19.3—Determination of Small Business Status for Small Business Programs

- 19.301 Representation by the offeror.  
19.302 Protesting a small business representation.  
19.303 Determining North American Industry Classification System (NAICS) codes and size standards.  
19.304 Disadvantaged business status.  
19.305 Protesting a representation of disadvantaged business status.  
19.306 Protesting a firm's status as a HUBZone small business concern.  
19.307 Protesting a firm's status as a service-disabled veteran-owned small business concern.  
19.308 Solicitation provisions.

#### Subpart 19.4—Cooperation With the Small Business Administration

- 19.401 General.  
19.402 Small Business Administration procurement center representatives.  
19.403 Small Business Administration breakout procurement center representatives.

#### Subpart 19.5—Set-Asides for Small Business

- 19.501 General.  
19.502 Setting aside acquisitions.  
19.502-1 Requirements for setting aside acquisitions.  
19.502-2 Total small business set-asides.  
19.502-3 Partial set-asides.  
19.502-4 Methods of conducting set-asides.

- 19.502-5 Insufficient causes for not setting aside an acquisition.  
19.503 Setting aside a class of acquisitions for small business.  
19.504 Inclusion of Federal Prison Industries, Inc.  
19.505 Rejecting Small Business Administration recommendations.  
19.506 Withdrawing or modifying small business set-asides.  
19.507 Automatic dissolution of a small business set-aside.  
19.508 Solicitation provisions and contract clauses.

#### Subpart 19.6—Certificates of Competency and Determinations of Responsibility

- 19.601 General.  
19.602 Procedures.  
19.602-1 Referral.  
19.602-2 Issuing or denying a certificate of competency (COC).  
19.602-3 Resolving differences between the agency and the Small Business Administration.  
19.602-4 Awarding the contract.

#### Subpart 19.7—The Small Business Subcontracting Program

- 19.701 Definitions.  
19.702 Statutory requirements.  
19.703 Eligibility requirements for participating in the program.  
19.704 Subcontracting plan requirements.  
19.705 Responsibilities of the contracting officer under the subcontracting assistance program.  
19.705-1 General support of the program.  
19.705-2 Determining the need for a subcontracting plan.  
19.705-3 Preparing the solicitation.  
19.705-4 Reviewing the subcontracting plan.  
19.705-5 Awards involving subcontracting plans.  
19.705-6 Postaward responsibilities of the contracting officer.  
19.705-7 Liquidated damages.  
19.706 Responsibilities of the cognizant administrative contracting officer.  
19.707 The Small Business Administration's role in carrying out the program.  
19.708 Contract clauses.

#### Subpart 19.8—Contracting With the Small Business Administration (the 8(a) Program)

- 19.800 General.  
19.801 [Reserved]  
19.802 Selecting concerns for the 8(a) Program.  
19.803 Selecting acquisitions for the 8(a) Program.

## 19.000

- 19.804 Evaluation, offering, and acceptance.
- 19.804-1 Agency evaluation.
- 19.804-2 Agency offering.
- 19.804-3 SBA acceptance.
- 19.804-4 Repetitive acquisitions.
- 19.804-5 Basic ordering agreements.
- 19.804-6 Multiple award and Federal Supply Schedule contracts.
- 19.805 Competitive 8(a).
- 19.805-1 General.
- 19.805-2 Procedures.
- 19.806 Pricing the 8(a) contract.
- 19.807 Estimating the fair market price.
- 19.808 Contract negotiation.
- 19.808-1 Sole source.
- 19.808-2 Competitive.
- 19.809 Preaward considerations.
- 19.810 SBA appeals.
- 19.811 Preparing the contracts.
- 19.811-1 Sole source.
- 19.811-2 Competitive.
- 19.811-3 Contract clauses.
- 19.812 Contract administration.

### Subpart 19.9—Very Small Business Pilot Program

- 19.901 General.
- 19.902 Designated SBA district.
- 19.903 Applicability.
- 19.904 Procedures.
- 19.905 Solicitation provision and contract clause.

### Subpart 19.10—Small Business Competitiveness Demonstration Program

- 19.1001 General.
- 19.1002 Definitions.
- 19.1003 Purpose.
- 19.1004 Participating agencies.
- 19.1005 Applicability.
- 19.1006 Exclusions.
- 19.1007 Procedures.
- 19.1008 Solicitation provisions.

### Subpart 19.11—Price Evaluation Adjustment for Small Disadvantaged Business Concerns

- 19.1101 General.
- 19.1102 Applicability.
- 19.1103 Procedures.
- 19.1104 Contract clauses.

### Subpart 19.12—Small Disadvantaged Business Participation Program

- 19.1201 General.
- 19.1202 Evaluation factor or subfactor.
- 19.1202-1 General.
- 19.1202-2 Applicability.
- 19.1202-3 Considerations in developing an evaluation factor or subfactor.
- 19.1202-4 Procedures.
- 19.1203 Incentive subcontracting with small disadvantaged business concerns.

## 48 CFR Ch. 1 (10-1-05 Edition)

- 19.1204 Solicitation provisions and contract clauses.

### Subpart 19.13—Historically Underutilized Business Zone (HUBZone) Program

- 19.1301 General.
- 19.1302 Applicability.
- 19.1303 Status as a qualified HUBZone small business concern.
- 19.1304 Exclusions.
- 19.1305 HUBZone set-aside procedures.
- 19.1306 HUBZone sole source awards.
- 19.1307 Price evaluation preference for HUBZone small business concerns.
- 19.1308 Contract clauses.

### Subpart 19.14—Service-Disabled Veteran-Owned Small Business Procurement Program

- 19.1401 General.
- 19.1402 Applicability.
- 19.1403 Status as a service-disabled veteran-owned small business concern.
- 19.1404 Exclusions.
- 19.1405 Service-disabled veteran-owned small business set-aside procedures.
- 19.1406 Sole source awards to service-disabled veteran-owned small business concerns.
- 19.1407 Contract clauses.

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### 19.000 Scope of part.

(a) This part implements the acquisition-related sections of the Small Business Act (15 U.S.C. 631, *et seq.*), applicable sections of the Armed Services Procurement Act (10 U.S.C. 2302, *et seq.*), the Federal Property and Administrative Services Act (41 U.S.C. 252), section 7102 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355), 10 U.S.C. 2323, and Executive Order 12138, May 18, 1979. It covers—

(1) The determination that a concern is eligible for participation in the programs identified in this part;

(2) The respective roles of executive agencies and the Small Business Administration (SBA) in implementing the programs;

(3) Setting acquisitions aside for exclusive competitive participation by small business, HUBZone small business, and service-disabled veteran-owned small business concerns;

(4) The certificate of competency program;

(5) The subcontracting assistance program;

(6) The 8(a) program, under which agencies contract with the SBA for goods or services to be furnished under a subcontract by a small disadvantaged business concern;

(7) The use of women-owned small business concerns;

(8) The use of a price evaluation adjustment for small disadvantaged business concerns, and the use of a price evaluation preference for HUBZone small business concerns;

(9) The Small Disadvantaged Business Participation Program;

(10) The Very Small Business Pilot Program;

(11) The use of veteran-owned small business concerns; and

(12) Sole source awards to HUBZone small business and service-disabled veteran-owned small business concerns.

(b) This part, except for subpart 19.6, applies only in the United States or its outlying areas. Subpart 19.6 applies worldwide.

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#### 19.001 Definitions.

As used in this part—

*Concern* means any business entity organized for profit (even if its ownership is in the hands of a nonprofit entity) with a place of business located in the United States or its outlying areas and that makes a significant contribution to the U.S. economy through payment of taxes and/or use of American products, material and/or labor, etc. “Concern” includes but is not limited to an individual, partnership, corporation, joint venture, association, or co-operative. For the purpose of making affiliation findings (see 19.101), include any business entity, whether organized for profit or not, and any foreign business entity, *i.e.*, any entity located outside the United States and its outlying areas.

*Fair market price* means a price based on reasonable costs under normal competitive conditions and not on lowest possible cost (see 19.202-6).

*Industry* means all concerns primarily engaged in similar lines of activity, as listed and described in the North American Industry Classification system (NAICS) manual (available via the Internet at <http://www.census.gov/epcd/www/naics.html>).

*Nonmanufacturer rule* means that a contractor under a small business set-aside or 8(a) contract shall be a small business under the applicable size standard and shall provide either its own produce or that of another domestic small business manufacturing or processing concern (see 13 CFR 121.406).

*Small business concern* means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on government contracts, and qualified as a small business under the criteria and size standards in 13 CFR part 121 (see 19.102). Such a concern is *not dominant in its field of operation* when it does not exercise a controlling or major influence on a national basis in a kind of business activity in which a number of business concerns are primarily engaged. In determining whether dominance exists, consideration shall be given to all appropriate factors, including volume of business, number of employees, financial resources, competitive status or position, ownership or control of materials, processes, patents, license agreements, facilities, sales territory, and nature of business activity.

*Very small business concern* means a small business concern—

(1) Whose headquarters is located within the geographic area served by a designated SBA district; and

(2) Which, together with its affiliates, has no more than 15 employees and has